

Message Text

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C O N F I D E N T I A L MOSCOW 17464

E.O. 11652: GDS

TAGS: AFSP, ABLD, UR, US

SUBJECT: WASHINGTON/MOSCOW EMBASSY COMPLEXES

REF: MOSCOW 17303

BEGIN SUMMARY - THIS TELEGRAM ANALYZES THE DIPLOMATIC NOTE TRANSMITTED IN REF

L CONCERNING THE SOVIET GOVERNMENT'S RESPONSES

TO THE CONSTRUCTION OF THE WASHINGTON/MOSCOW CHANCERIES AND RELATED ISSUES. EMBASSY BELIEVES THE LATEST SOVIET NOTE TO BE POSITIVE, BUT FURTHER DISCUSSION WILL BE NECESSARY TO DETERMINE SPECIFIC DETAILS. THE EMBASSY'S COMMENTS ARE KEYED TO THE PARAGRAPHS OF THE SOVIET NOTE OF NOVEMBER 3. END SUMMARY.

1. (CONSTRUCTION COSTS) - IN SUBSECTION A, THE SOVIETS HAVE NOW AGREED FORMALLY AND IN WRITING TO WAIVE THE USUAL 10 PERCENT SERVICE CHARGE LEVIED BY UPDK ON GOODS AND SERVICES PROVIDED TO EMBASSIES. SUBSECTIONS B, C, D, E, AND F DEAL WITH ESTIMATED CONSTRUCTION COSTS. FBO IS IN A BETTER POSITION THAN WE ARE TO PROVIDE AN ANALYSIS OF THIS INFORMATION. THE INFORMATION STRIKES US AS RATHER GENERAL AND WE WOULD BE INCLINED TO ESTABLISH SPECIFIC UNIT COSTS SINCE THE SOVIETS WERE GIVEN COMPLETE SETS OF BLUEPRINTS AND SPECIFICATIONS WITH TRANSLATIONS IN AUGUST. HOWEVER, WE DEFER TO FBO'S JUDGEMENT ON THESE POINTS.

2. (SOVIET OCCUPATION OF NEW APARTMENT BUILDING) WE ARE INCLINED
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TO ACCEPT THE VIEW THAT THE SOVIETS SHOULD HAVE THE RIGHT TO

OCCUPY THE APARTMENT BUILDING IN WASHINGTON UPON COMPLETION PROVIDED THEY ARE NOT TO BLAME FOR DELAYS IN THE CONSTRUCTION OF OUR COMPLEX IN MOSCOW.

3. (RETENTION OF PRESENT EMBASSY IN MOSCOW) THE SOVIETS HAVE REPEATED FORMALLY WHAT THEY SAID SONSISTENTLY IN THE LAST YEAR; THAT IS THEY ARE NOT PREPARED TO RENEGOTIATE ARTICLE IX OF THE MAY 16, 1969 EXCHANGE OF NOTES, WHICH REQUIRES US TO MOVE FROM THE PRESENT CHANCERY 4 MONTHS AFTER COMPLETION OF THE NEW EMBASSY COMPLEX. EVERY INDICATION HERE IS THAT THERE IS NO GIVE AT ALL IN THIS POSITION.

4. (ADDITIONAL HOUSING) THE SOVIET OFFER TO PROVIDE 7 ADDITIONAL APARTMENTS BY THE END OF 1976 IS A SIGNIFICANT AND FORTHCOMING CHANGE FROM THEIR PREVIOUS POSITION. AS REPORTED IN MOSCOW 15654 THE SOVIETS HAD INSISTED THAT THERE WOULD BE NO MORE APARTMENTS AVAILABLE IN 1976, BUT THAT THEY WERE PREPARED TO DISCUSS A "CERTAIN NUMBER" OF NEW APARTMENTS FOR 1977. IN ADDITION TO THE 7 APARTMENTS TO BE DELIVERED BEFORE THE END OF 1976, THE SOVIETS ARE NOW PROMISING 4 MORE IN 1977. WHEN THESE ADDITIONAL 11 APARTMENTS ARE RECEIVED WITH THE 7 RECEIVED IN 1975 AND 1976 THE GRAND TOTAL WILL BE 18 APARTMENTS, RATHER THAN 21 AS THE EMBASSY REQUESTED. THE DIFFERENCE OF 3 APARTMENTS IS EXPLAINED BY SOVIET MISCALCULATIONS WHICH GO BACK SEVERAL YEARS. IN JANUARY 1974 THE EMBASSY REQUESTED 5 APARTMENTS TO BE MADE AVAILABLE DURING 1974. THREE OF THOSE APARTMENTS WERE NOT DELIVERED UNTIL AFTER THE EMBASSY'S LETTER OF FEBRUARY 27, 1975 WHICH REQUESTED A TOTAL OF 31 APARTMENTS TO BE DELIVERED IN 1975, 1976, AND 1977. THE EMBASSY IN BOTH ORAL CONVERSATIONS AND IN A LETTER TO UPDK STATED THAT "AMBASSADOR STOESEL IN FEBRUARY 1975 PROJECTED ARE REQUIREMENTS OVER AND ABOVE THE 3 APARTMENTS WHICH WILL BE PROMISED WELL BEFORE FEBRUARY BUT NOT RECEIVED UNTIL APRIL 1975."

INSPIE OF THIS DISCREPENCY OF 3 APARTMENTS, THE SOVIET POSITION ON HOUSING IS FORTHCOMING AND REPRESENTS A SUBSTANTIAL IMPROVEMENT OVER THE PREVIOUS POSITION. WHILE WE BELIEVE WE SHOULD CORRECT THE RECORD AND CONTINUE TO PRESS FOR THE DELIVERY OF ADDITIONAL 3 APARTMENTS IN 1977, THE PROVISION OF THE APARTMENTS PROPOSED IN THE SOVIET NOTE WOULD MAKE A SIGNIFICANT DIFFERENCE TO THE EMBASSY'S CRITICAL HOUSING

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SITUATION. WE ARE POUCHING TO EUR/SOV A COPY OF THE EMBASSY'S 1975 LETTER TO UPDK CORRECTING THE SOVIET COUNT.

5. (ACCESS TO THE NEW CHANCERY SITE) THERE HAS BEEN NO NOTICE-ABLE CHANGE IN THE SOVIETS' POSITION WHICH DENIES THE EMBASSY DIRECT ACCESS TO THE NEW SITE. THE ADDITIONAL SPACE FOR AUTOMOBILE PARKING PROVIDED IN 1975 REFERES TO A SMALL AREA SOME DISTANCE FROM THE EMBASSY WHICH WAS LEASED 2 YEARS

AGO AND IS USED PRIMARILY FOR EMBASSY SERVICE VEHICLES.

6. (NEW RECREATIONAL FACILITY) WE ARE UNAWARE OF ANY FORMAL OFFER TO RENT A SUMMER HOUSE AT NAHABINO. HOWEVER, LAST APRIL AN UPDK ENGINEER DID MENTION TO THE GENERAL SERVICES OFFICER THAT THERE MIGHT BE A SUMMER HOUSE AVAILABLE IN A DIPLOMATIC COMPLEX WHICH WILL BE BUILT AT NAHABINO. NO SUMMER HOUSE HAVE BEEN BUILT AT THIS SITE AND ALL UPDK WAS ABLE TO SHOW US THIS WEEK WAS AN ARTIST'S CONCEPTION OF THE COMPLEX. WE ESTIMATE THAT THE AREA WILL NOT BE READY BEFORE LATE 1978 AT THE EARLIEST. IN ANY EVENT WE DO NOT CONSIDER THIS AN ACCEPTABLE ALTERNATIVE TO THE EMBASSY'S REQUEST FOR A SITE ON OR NEAR AN UNPOLLUTED RIVER OR LAKE. UPDK HAS AGREED IN PRINCIPLE TO THE CONSTRUCTION OF A FINNISH DACHA ON THE LAND AT THE PRESENT DACHA AT TRASOVKA. THE PROBLEM IS THAT OUR PRESENT DACHA SITE IS BECOMING CROWDED. IN ADDITION TO THE LARGE AND SMALL DACHAS AT TARASOVKA, THE SPCAE IS ALSO USED FOR A CAMP IN THE SUMMER TIME, PICNIC GROUNDS AND A STORAGE AREA FOR GSO. WE THEREFORE CONTINUE TO FEEL THAT THE SOVIETS MUST RESPOND TO OUR EARLIER REQUEST TO PROVIDE A NEW RECREATIONAL FACILITY.

7. (RELOCATION OF ANGLO-AMERICAN SCHOOL) THIS IS THE FIRST INDICATION WE HAVE HAD THAT THE SOVIET AUTHORITIES ARE GIVING SERIOUS CONSIDERATION TO MOVING THE BADLY OVERCROWDED ANGLO-AMERICAN SCHOOL. ALTHOUGH NO INDICATION IS GIVEN AS TO TIMING OR LOCATION, WE BELIEVE THE SOVIET POSITION IS MORE FORTHCOMING THAN BEFORE.

8. (IMPROVED ELECTRICAL SERVICE FOR THE PRESENT CHANCERY) THE SOVIET POSITION ON THIS ISSUE IS DISAPPOINTING. THE EMBASSY AGREED IN SEPTEMBER 1975 TO PAY APPROXIMATELY \$35,000 TO COVER THE COST OF IMPROVED ELECTRICAL SERVICE TO THE PRESENT CHANCERY COMPLEX. INSPITE OF NEW SOVIET COMMENTS THE SITUATION

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HAS NOT CHANGED. THERE IS NO CONCRETE PROMISE OF INCREASED SERVICE BY A SPECIFIC DATE AND NO INDICATION OF ANY PREPARATIONS. THE PRESENT INADEQUATE ELECTRICAL SERVICE RESULTS IN OPERATIONAL DIFFICULTIES AND INVARIABLY INCREASES THE DANGER OF FIRE IN AN OVERCROWDED MULTI-STORY BUILDING. AS FAR AS WE CAN TELL, ON THE QUESTION OF ELECTRICAL POWER THERE SEEMS TO HAVE BEEN NO PROGRESS.

9. (ADDITIONAL STORAGE SPACE) ALTHOUGH THE SOVIETS HAVE NOT MADE ANY SPECIFIC PROMISES, THEY DO STATE THAT THE MATTER IS BEING CONSIDERED IN POSITIVE VEIN.

10. (HEIGHT OF ANTENNA) WE SEE NO DIFFICULTY WITH THE SOVIET ASSUMPTION THAT THE HEIGHT OF ANTENNAS ON THE EMBASSIES IN WASHINGTON AND MOSCOW SHOULD BE DECIDED IN CONJUNCTION WITH

POINT 4 OF ARTICLE I OF THE DECEMBER 4, 1972 AGREEMENT.

11. IN SUM WE FIND THE SOVIET PROPOSALS TO BE POSITIVE AND FORTH-COMING. OUR RESERVATIONS CONCERN THE LACK OF DETAILS AND SPECIFICATIONS PARTICULARLY WITH REGARD TO WHEN AND WHAT IS ACTUALLY BEING OFFERED. WE BELIEVE, HOWEVER, THESE PROPOSALS FORM THE BASIS FOR MORE COMPREHENSIVE DISCUSSIONS TO DETERMINE CLEARLY AND PRECISELY WHAT A NUMBER OF THE PROPOSALS MEAN. FOR EXAMPLE, IT WOULD BE MOST USEFUL TO KNOW THE LOCATION AND SIZE OF THE BUILDING THE SOVIETS ARE CONSIDERING FOR THE ANGLO-AMERICAN SCHOOL. IN OTHER WORDS WE BELIEVE WE SHOULD EXPLORE THE SOVIET PROPOSALS IN MORE DEPTH TO ASCERTAIN WHETHER THEY COULD FORM THE BASIS FOR AN AGREEMENT TO PERMIT THEM TO START CONSTRUCTION ON THEIR APARTMENT BUILDING IN WASHINGTON. SUCH AN AGREEMENT, OF COURSE, SHOULD NOT ACTUALLY BE GRANTED UNTIL THE SOVIETS MAKE THEIR OFFERS MORE CONCRETE AND ALSO PROVIDE THE MOST ESSENTIAL ITEMS (E.G. ELECTRIC POWER) PROMPTLY.

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